

# REPORT

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SUBJECT Railroad Act

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**SUPPLEMENT TO**  
**REPORT NO. 1**

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- b. In order to remedy these shortcomings, the GDR railroad administration demands that attention be given to the following measures:
- (1) Improvement of the efficiency of all top-level railroad agencies and of the personnel assigned to them.
  - (2) Introduction, in 1955, of the dispatcher system on major railroad lines. This objective involves the completion of dispatcher installations planned to be built in 1955 by 1 August 1955 at the latest; progressive implementation of the decreed changes of RBD and RA (Reichsbahnamt) boundaries within the first quarter of 1955; organization of training courses for new cadres of dispatchers on the basis of a training program to be drawn up by 20 January 1955.
  - (3) With a view to improving the management of railroad enterprises, raising the sense of responsibility among leading employees and simplifying administrative procedures, a new organizational set-up will be designed for the Ministry of Traffic, which is also charged with the administration of shipping and motor traffic. This reorganization of the administration must lead to at least a 1.5 percent reduction of administrative personnel.

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- (4) In order to be able to remedy the shortcomings cited by the 21st Plenary Session of the SED Central Committee and to safeguard the profitability of traffic operations, the Socialist method of accounting is to be generally used. The introduction of this method involves considerable changes in planning, financing and accounting procedures. It is considered advisable that a delegation be sent to the USSR in order to study the Soviet experiences made in the field of economic accounting.
- (5) In cooperation with progressively-minded workers, foremen and engineers, reasonable work norms are to be laid down in 1955. This work must lead to an increase of labor productivity on the basis of present wages. Plans are to be made calling for an increased utilization of freight trains. Operations with empty freight trains are to be reduced to a minimum. Average utilization of freight cars is to be raised over the 1954 level by at least 5 percent.
- (6) The maintenance system for locomotives must be revised. Maintenance must be arranged according to the performance of the individual locomotives, and new norms for periodic checks of locomotives are to be worked out.
- (7) The consumption norms for metals, lumber, coal, etc. are to be checked and reduced. The consumption of materials required for the repair of rolling stock and railroad installations must be lowered.
- (8) In order to save coal used for locomotives, the norms already in use within HV Maschinenwirtschaft (Main Administration for Locomotives and Machinery) are to be introduced in 1955. Detailed coal consumption norms will be laid down on the basis of calculations made by Ingenieur Tweritin (fmu). Similar efforts will have to be made in the field of electric power and light. The standardization of the consumption of power by the Berlin-S-Bahn (interurban railroad system) is particularly urgent.
- (9) The traffic system still has a great amount of "inner reserves" which have not yet been fully utilized. Such reserves are available in idle capacity of railroad repair and maintenance shops, shipyards, railroad stations, etc. In order to utilize this idle capacity, any unnecessary loss of working hours, unnecessary waiting time, unnecessary overtime, unprofitable technical processes, and any waste of material must be eliminated. Such idle reserves are available at any railroad installation. General costs are to be reduced and to be subjected to a strict control. This applies especially to the costs of the administrative apparatus, travel allowances and office material. A sound relationship between production costs and general costs must be established.
- (10) Special attention is to be given to the quality of construction work performed and its costs. The quality of construction and assembly work and of the individual construction units is to be rigidly controlled. Materials made available for construction projects must not be used for other purposes. Construction work is to be mechanized and construction machinery is to be utilized to the fullest extent possible.
- (11) The chiefs of all Main Administrations and of the Central Departments of the Ministry of Traffic are personally responsible for the execution of all the measures mentioned above. The deputy ministers of traffic have been given the task of controlling the faithful observance of all the orders given in this connection. All railroad activities must have the aim to fulfill the demands made at the 21st Plenary Session of the SED Central Committee so that the last year of the current Five-Year-Plan can be fulfilled successfully.

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Issue No 4 of the "Verfuegungen und Mitteilungen des M.f.V." was withdrawn from circulation a few hours after it had been issued.

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this was done because "a madman had printed the plan laid down at the 21st Plenary Session of the SED Central Committee for the Ministry of Traffic".

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2. The following data were excerpted from a protocol of a conference held on 21 January 1955 by the Central Transportation Committee at the Ministry of Traffic with Erwin Kramer, GDR Minister of Traffic, in the chair.
  - a. Reorganization of the GDR traffic system resulted in a modification of the organizational set-up of the Ministry of Traffic. Within the new set-up, each transportation system will, however, retain its independence.<sup>2</sup> Secretary of State Szczepiecki (fmu). Deputy Minister of Traffic will be in charge of the Operations Division of the Reichsbahn. The Bureau of the Central Transportation Committee will deal exclusively with him. He will take the place of Erwin Kramer in case he is prevented from attending conferences. Secretary of State Karl Salomon will be in charge of shipping. His deputy will be Hess. chief of the Main Administration for Shipping. Secretary of State Ernst Weiprecht will be in charge of motor traffic and highways.
  - b. By order of the government, railroad boundaries have been modified. This will affect the composition of regional transportation committees. The previous 37 Reichsbahnaemter (railroad sub-district offices) existing in the 8 RBs were reduced to 27.<sup>2</sup> For the first time in 1954, the Deutsche Reichsbahn incurred a deficit. An analysis of the situation indicated that the financial losses were mostly suffered in the transportation of bulk goods. Freight haulage operations were often conducted in an unprofitable way. The ratio of Tariftonnenkilometer (number of km charged for the transportation of freight) to Nettotonnenkilometer (number of km which freight cars travelled) to Bruttotonnenkilometer (number of km made by freight cars while loaded) has deteriorated to a critical degree.<sup>3</sup> In the preceding year, the transportation plan was fulfilled 98 percent in the field of railroad cars made available and 96.9 percent in the field of tonnage hauled. The shortage in the field of rolling stock was mainly caused by the careless damaging of freight cars by major enterprises of the heavy industry such as the EKS, EKO and the plants in Brandenburg, Riesa and Unterwellenborn. Operational difficulties of the GDR railroads were also caused by an irresponsible attitude of the management of industrial plants. This attitude is reflected in an intentional reduction of production in the first quarter of a year and a forced acceleration of production in the third quarter so as to reap the benefit of special bonuses. In establishing required stocks, the Ministries of Agriculture and Forestry and of the Food Industry proved very efficient, while all the other ministries failed.
  - c. During the first 10 days of January 1955, deliveries of coal and construction materials lagged far behind schedules. This situation makes it very difficult to fulfill production plans. Things would become easier when the industry and ministries of the country realized the essential importance of the railroad system for the fulfillment of production plans. It will be the mission of the Central Transportation Committee to do everything in its power to see that government plans are fulfilled and that those guilty of negligence in the performance of their duty will be punished.

1. Comment. Information on the introduction of the Soviet dispatcher system was transmitted previously.

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2. Comment. Information on the new organizational set-up of the Ministry of Traffic and the reduction of the number of Reichsbahnaemter from 37 to 27 was transmitted previously. 25X1  
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3. Comment. The demands laid down by the SED Central Committee for 1955 will be binding on the GDR Railroads in 1955. These demands call for a more ruthless exploitation of labor and the fullest possible utilization of materials and installations. It is noteworthy that no mention was made of large-scale investments for the improvement for the railroad net and the rolling stock. The data contained in this paragraph indicate that the railroad system will continue to live on its capital and reserves in 1955. 25X1
4. Comment. The officials mentioned were previously known to have these assignments. 25X1  
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5. Comment. This statement is surprising in view of many publications which stressed the profit of railroad operations in the GDR as opposed to irrational and uneconomic operations of the West German Bundesbahn, which is forced to work on a capitalist basis. It must be pointed out in this respect that the GDR railroad system is not threatened by any competition from highway traffic. The GDR railroad system handles 85 percent of the total traffic in East Germany. 25X1

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